

Marine Transportation Advisory Board
Juneau, Alaska

Minutes
May 3, 2011

CALL TO ORDER

Chairman Mike Korsmo called the teleconference meeting to order at 9:00 am.

ROLL CALL

Marine Transportation Advisory Board members participating: Ron Bressette, Mark Eliason, Dan Kelly, Clay Koplin, Mike Korsmo, Shirley Marquardt, Cathie Roemmich, Maxine Thompson, Robert Venables. Gerry Hope was available via teleconference. A quorum was established.

INTRODUCTION OF THOSE PARTICIPATING

DOT&PF/AMHS staff: Capt. Mike Neussl, Leslie Dumont, Krista Hagan, Tony Karvalas, Richard Leary, Jim Potdevin, Kerri Traudt, Danielle Adkins, Laura Baker

Members of the public: Senator Dennis Egan, Representative Peggy Wilson, Mark Hickey, Chip Thoma, Scott Bowlen, Leo Luczak, Dave Stone, Phil Morris, Cyndi Ivey

APPROVAL OF AGENDA

Chairman Korsmo stated that if there were no objection, Mr. Eliason's report on public/private marketing partnerships would be held over until the following meeting.

Mr. Venables requested that scheduling be added to the agenda under staff reports. He then moved to adopt the agenda. The motion was duly seconded, and on a voice vote, the agenda was adopted unanimously.

APPROVAL OF MINUTES OF MAY 3, 2011

Capt. Neussl pointed out that on page 2, under State of the System; the M/V Columbia was in Ketchikan for overhaul, not Bellingham.

MOTION – by Mr. Venables, seconded by Ms. Marquardt, to accept the correction by Capt. Neussl and approve the minutes of March 29, 2011. On a voice vote, the motion carried.

PUBLIC COMMENTS

Dave Stone, Mayor of Yakutat, spoke to Yakutat's ferry service. He explained that tourists have all ferry space booked far in advance and local residents are not able to utilize the marine highway system. He further explained that providing ferry service to Yakutat gives the community the designation of being on a highway system, causing

them to fall under more state and federal regulations, placing yet another hardship on the Yakutat residents. He requested that Yakutat be guaranteed vehicle space on the ferry service in and out of Yakutat.

In response to statements by Chip Thoma regarding the vessel replacement fund and moving forward with vessel construction, Representative Peggy Wilson clarified there is \$60 million in the fund at the present time.

REPORT FROM THE CHAIR

The chair reported that he sent a letter to the Alaska State Legislature on behalf of the Marine Transportation Board supporting an additional \$60 million for the vessel replacement fund.

Although he was not successful in personally delivering a letter to Governor Parnell, the chair did send a letter encouraging the administration to proceed with the procurement process. A response has not been received.

STAFF REPORTS

Union Contract Status

Capt. Neussl advised that tentative agreements have been reached with all three unions.

Fleet Update

Capt. Neussl discussed the fleet, updating the board on repairs, overhauls and schedules.

Traffic Volume Report

Capt. Neussl reported that the 2010 Traffic Volume Report is published and available on the web site. The reports shows passenger loads the highest since 1992 and up 1.4% from last year.

Mr. Korsmo thanked staff for their efforts in getting schedules out early, which he believes is contributing to the upward trend.

Winter Schedule Teleconference

Capt. Neussl announced the winter schedule teleconference is scheduled for May 18, noting the proposed schedule is on the department's web site.

Ward Cove Property

Capt. Neussl advised there are funds in the budget to renovate the Ward Cove property into office and warehouse space. However, funding is needed to develop a master plan.

UPDATE ON YAKUTAT SERVICE CONCERNS

In response to Chairman Korsmo, Capt. Neussl provided background regarding correspondence between the City of Yakutat and the Department of Transportation and Public Facilities. The mayor of Yakutat requested that the department block out 10 vehicles spaces on ferries through Yakutat for local resident use only. Response from the department was that due to the potential for lost revenue, reserving the 10 spots would not be possible. To accommodate local residents, space on the vessel's elevator could be made available to Yakutat residents. The vessel elevator, however, is not equipped with tie-downs, so heavy seas could make that space unusable. Capt. Neussl suggested the community of Yakutat purchase a block of reservations and re-sell to residents. He further commented that Yakutat residents needed to make their reservations early.

Mr. Koplin stated that Yakutat deserves reasonable access, making note of the negative impacts associated with being connected to the highway system. He felt that utilization of the vessel elevator is only a bandage approach to the problem.

Ms. Thompson and Ms. Marquardt also spoke to the need to deliver quality service to the community of Yakutat. Ms. Marquardt did not think using the vessel elevator met that definition. She made the suggestion that three spaces be held for Yakutat residents, down from the requested 10.

In response to Chairman Korsmo, board members voiced their support for delivering quality ferry service to Yakutat. Members suggested tie-downs be installed on the vessel elevator and that staff consider reserving three vehicle spots for local residents. Responding, Capt. Neussl stated he had considered and rejected reserving less than the 10 requested spots on the vessel, but that he would revisit the issue. He will also look into the possibility of installation of tie-downs on the vessel elevator.

ALASKA CLASS FERRY STATUS

Legislative Funding

Laura Baker, Administrative Services Director, advised that the second \$60 million for the vessel replacement fund remains in the operating budget. However, the budget has not passed out of committee. In response to a question by Chairman Korsmo, Ms. Baker clarified that authority to spend from the vessel replacement fund will still be required. In response to Mr. Venables, Ms. Baker stated that she believed some of the original \$60 million in the vessel replacement fund has been spent on preliminary design.

Procurement Status

Capt. Neussl advised that he, Commissioner Luiken and Mark O'Brien had met with the governor's deputy chief of staff regarding procurement options. In addition to CM/GC (construction manager as general contractor), and competitive low bid, he suggested a third alternative of negotiated procurement process – select the shipyard based on input and negotiate with that entity. Capt. Neussl believes this approach received a favorable review by the deputy chief of staff and that he expects to hear back from the governor's

office. He is ready to return and rebrief in order to move forward. Chairman Korsmo expressed his appreciation to Capt. Neussl for his efforts to negotiate this through the bureaucratic process.

ACTION ITEMS

Winter Schedule Teleconference

Mr. Koplin commented that this is a good time in the process for board members to contact groups and communities regarding their special schedule requests. Ms. Trout noted that communities are taking advantage of the process and getting timelier with their requests.

Yakutat Service

Following board discussion, MOTION – by Ms. Marquardt, seconded by Ms. Roemmich, directing that the board draft a letter to the department addressing the need for a long-term solution for Yakutat ferry service. On a voice vote, the motion carried unanimously.

BOARD DISCUSSION

Next Meeting Date

The next meeting of the Marine Transportation Advisory Board was set for June 28, 2011 in Kodiak.

ADJOURNMENT

Motion – by Mr. Venables, seconded by Mr. Koplin, to adjourn the meeting. On a voice vote, the meeting was adjourned at 11:04 a.m.

Respectfully submitted, Myra Neff